

1 Amend 2 Cal. Code Regs. Section 18401 to read¹:

2 **§ 18401. Required Recordkeeping for Chapter 4.**

3 (a) Maintenance of Documents

4 ~~It shall be the duty of each~~ A candidate, treasurer, and elected officer has a duty to
5 maintain ~~such~~ detailed accounts, records, bills, and receipts as ~~shall be~~ necessary to
6 prepare campaign statements and ~~to~~ comply with the provisions of ~~Government Code,~~
7 ~~Title 9, Chapter 4 (sections 84100, et seq.)~~ Chapter 4 (commencing with Section 84100)
8 of the Act. ~~The~~ This duty includes maintenance of detailed information and original
9 source documentation, as follows:

10 (1) For a contribution received or other receipt of less than \$25, or an expenditure
11 made of less than \$25:

12 (A) The accounts and records shall contain a continuous computation of campaign
13 account balances, and ~~also shall~~ include a listing reflecting the dates and daily totals of
14 ~~such~~ the contributions, other receipts, or expenditures on the dates of ~~such~~ the
15 contributions, other receipts, or expenditures.

16 (B) The original source documentation shall consist of all bank statements, check
17 registers, check stubs, bank or passbooks, and any other records reflecting a continuous
18 computation of campaign account balances in any savings or checking account, money
19 market account, certificate of deposit, credit card account, or any other campaign
20 account, in any bank or other financial institution.

¹ Amendments adopted by the Commission at the February Commission Meeting are indicated with a single strikethrough or a single underline. Proposed amendments are indicated with a double strikethrough or a double underline.

1 (2) For a contribution received of \$25 or more, but less than \$100, and for other
2 receipts of \$25 or more:

3 (A) The accounts and records shall contain all information required in ~~subsection~~
4 subdivision (a)(1)(A) above, and ~~shall~~ include the date of each contribution or other
5 receipt, the amount, and the full name and street address of the contributor or the source
6 of the other receipt. In the case of a contribution, the accounts and records ~~also~~ shall also
7 contain the cumulative amount received from the contributor and ~~shall~~ specify whether
8 the contribution is monetary or nonmonetary. In the case of a nonmonetary contribution,
9 the fair market value ~~must~~ shall also be recorded, along with a description of the goods or
10 services received. If, ~~however~~, a contribution is received through an intermediary or
11 agent, as defined in ~~2 Cal. Code Regs. section~~ Regulation 18432.5, the accounts and
12 records shall also contain the full name and street address, occupation, and employer (or,
13 if self-employed, the name of the principal place of business) of the intermediary or agent
14 and of the true source of the contribution.

15 (B) The original source documentation shall consist of all items required in
16 ~~subsection~~ subdivision (a)(1)(B) above, and ~~of~~ copies of contributor checks, cashier's
17 checks, money orders, wire transfers, deposit or duplicate deposit slips, and any other
18 documents, reflecting all items deposited, and all deposits made, to any campaign
19 account, in any bank or other financial institution. Original source documentation shall
20 also include contributor cards, letters of transmittal, and notices received from
21 contributors. In ~~addition~~, in the case of a nonmonetary contribution, if the contributor has
22 not provided a notice indicating the value of ~~such~~ the nonmonetary contribution, the
23 original source documentation shall also include a memorandum or other record ~~which~~

1 ~~describes~~ describing the method used to determine the value of the goods or services
2 contributed. In ~~addition, in~~ the case of contributions made through wire transfer, credit
3 card transaction, debit account transaction, or similar electronic payment option
4 (including those made via the Internet), the original source documentation shall also
5 include all credit card receipts, transaction slips or other writings signed by the
6 contributor, credit card vouchers, and other documentation of credit card transactions,
7 including credit card confirmation numbers and itemized transaction reports, as well as
8 any other information collected when debiting the contributor's account. In ~~addition to the~~
9 ~~requirements above, in~~ the case of contributions made through electronic transactions via
10 the Internet, original source documentation shall also include a record of the transaction
11 created and transmitted by the cardholder including the name of the cardholder, the
12 cardholder's address and the card number.

13 (3) For a contribution received of \$100 or more:

14 (A) The accounts and records shall contain all information required in ~~subsections~~
15 subdivisions (a)(1)(A) and (a)(2)(A) ~~above~~, and ~~shall~~ include the occupation and
16 employer (or, if self-employed, the name of the principal place of business) of ~~any~~ the
17 contributor. ~~Government Code section~~ Section 85700 requires the return, not later than 60
18 days from receipt, of ~~any~~ a contribution of \$100 or more for which the candidate or
19 committee does not have on file the name, address, occupation and employer of the
20 contributor. ~~2-Cal. Code Regs. section~~ Regulation 18570 sets forth additional
21 recordkeeping requirements concerning occupation and employer information.

22 (B) The original source documentation shall consist of all items required in
23 ~~subsections~~ subdivisions (a)(1)(B) and (a)(2)(B) ~~above~~, and all communications caused to

1 be sent by the candidate, treasurer, elected officer, or committee ~~in order~~ to secure this
2 information.

3 (4) For an expenditure of \$25 or more, or a series of payments for a single product
4 or service ~~which totals~~ totaling \$25 or more:

5 (A) The accounts and records shall contain the date the expenditure was made (or,
6 for an accrued expense, the date ~~of~~ the goods or services were received), the amount of
7 the expenditure, the full name and street address of the payee, and a description of the
8 goods or services for which each expenditure was made. If the person or vendor
9 providing the goods or services is different from the payee, the accounts and records shall
10 also contain the same detailed information for ~~such~~ that person or vendor. For an
11 expenditure ~~which~~ that is a contribution to another candidate or committee, or is an
12 independent expenditure, the records shall also contain the cumulative amount of ~~such~~
13 the contributions to, or independent expenditures to support or oppose, each candidate,
14 committee, or ballot measure.

15 (B) The original source documentation shall consist of cancelled checks, wire
16 transfers, credit card charge slips, bills, receipts, invoices, statements, vouchers, and any
17 other documents reflecting obligations incurred by the candidate, elected officer,
18 campaign treasurer, or committee, and disbursements made from any checking or savings
19 account, or any other campaign accounts, in any bank or other financial institution. In
20 lieu of cancelled checks, the original source documentation may consist of copies of
21 cancelled checks that contain a legible image of the front and back of the cancelled
22 check, provided the copy was obtained from the financial institution.

1 (5) For an itemized expenditure under Section 84211(k) or Section 84303 by a
2 committee controlled by a candidate for a gift, a meal, or ~~out-of-state~~ travel, the original
3 source documentation in addition to the requirements of subdivisions (a)(4)(A) and
4 (a)(4)(B) shall include a dated memorandum, or other dated written record, containing the
5 information required to be reported under Regulation 18421.7 and the names of all
6 individuals for whom an expenditure for a meal or ~~out-of-state~~ travel was paid.

7 ~~(5)~~ (6) For a loan made or received:

8 (A) The accounts and records shall contain the detailed information set forth in
9 ~~subsections~~ subdivisions (a)(1)(A), (a)(2)(A), and (a)(3)(A) ~~above~~, and ~~shall~~ include the
10 interest rate and due date, if any, of the loan, and the full name and street address of any
11 guarantor, or any person liable directly, indirectly, or contingently for the loan.

12 (B) The original source documentation shall consist of all promissory notes,
13 extensions of credit, security agreements, loan guarantees, and any other documents
14 reflecting the indebtedness.

15 ~~(6)~~ (7) For receipt of an enforceable promise to make a payment, as defined in 2
16 ~~Cal. Code Regs. section~~ Regulation 18216:

17 (A) The accounts and records shall contain the detailed information required for a
18 contribution set forth in ~~subsections~~ subdivisions (a)(1)(A), (a)(2)(A), and (a)(3)(A)
19 ~~above~~.

20 (B) The original source documentation shall consist of written contracts and any
21 other documents reflecting the enforceable promise to pay.

22 ~~(7)~~ (8) For each mass mailing, as defined in ~~Government Code section~~ Section
23 82041.5, sent or delivered pursuant to 2 ~~Cal. Code Regs. section~~ Regulation 18435:

1 (A) The accounts and records shall contain the date of the mailing, the number of
2 pieces mailed, and the method of postage.

3 (B) The original source documentation shall consist of an original sample of each
4 ~~such~~ mass mailing, caused to be sent by the candidate, treasurer, elected officer, or
5 committee.

6 ~~(8)~~ (9) For all written notices sent to all contributors of \$5,000 or more, pursuant
7 to ~~Government Code section~~ Section 84105 and ~~2-Cal. Code Regs. section~~ Regulation
8 18427.1:

9 (A) The accounts and records shall contain the date of each notice and the name
10 and address of the person to whom each notice is sent.

11 (B) The original source documentation shall consist of a copy of each notice sent.

12 (b) Retention of Documents

13 (1) ~~It shall be the duty of each A filer, as defined in Government Code section~~
14 Section 82026, has a duty to retain the accounts, records, bills and receipts, and other
15 original source documentation required to be maintained pursuant to subdivision (a) ~~of~~
16 ~~this regulation.~~

17 (2) ~~The A filer shall maintain the~~ accounts, records, bills and receipts, and original
18 source documentation ~~shall be retained by the filer~~ for a period of four years following
19 the date ~~that~~ the campaign statement to which they relate is filed. However, in the case of
20 an elected state officer serving a four-year term, the records for campaign statements filed
21 during the first year following his or her election must be kept for five years following
22 the date ~~such statements are~~ the campaign statement to which they relate is filed.

1 COMMENT: In addition to other recordkeeping requirements in the Act or applicable
2 regulations, candidates and committees ~~must~~ shall keep the records required in ~~2-Cal.~~
3 ~~Code Regs. section~~ Regulation 18428 regarding contributions from affiliated entities.
4 Additional recordkeeping requirements for candidates for the ~~state~~ Legislature and
5 statewide elective office are found in ~~2-Cal. Code Regs. section~~ Regulation 18536
6 concerning the transfer and attribution of contributions, and ~~2-Cal. Code Regs. section~~
7 Regulation 18540 concerning the allocation of expenditures to the primary, general,
8 special or runoff election for purposes of the voluntary expenditure ~~ceilings~~ limits.
9 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 84104,
10 84100-84400 and 85700, Government Code.